



**POLICY ON
CORPORATE SOCIAL RESPONSIBILITY (CSR) AND
SUSTAINABILITY**

**Indian Renewable Energy Development Agency Limited, New
Delhi**

IREDA'S POLICY ON CORPORATE SOCIAL RESPONSIBILITY (CSR) AND SUSTAINABILITY

1. INTRODUCTION

Corporate Social Responsibility (CSR) is a company's commitment to operate in an economically, socially and environmentally sustainable manner.

It is a continuing commitment by business to perform ethically and contribute to economic development while sustainable growth for the society at large. CSR extends beyond philanthropic activity and entails the company to act beyond statutory requirements and to integrate social, environmental and ethical concerns into the company's vision and mission.

This CSR Policy is formulated under Section 135 of the Companies Act 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 and Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 and existing guidelines for CPSEs issued by Department of Public Enterprises, Government of India.

1.1 AIMS & OBJECTIVES

IREDA being committed to operate and grow in a socially and environmentally sustainable manner; aims to optimally contribute towards the overall benefit to the public at large, under this CSR policy and the communally responsible regulatory regime executed by the Government of India from time to time through investment of funds in economically, socially and environmentally sustainable projects.

IREDA promotes and will continue to facilitate enhancement of its value creation in society through contribution in sustainable community and environmental projects in the field of healthcare, nutrition, renewable energy, energy efficiency, clean technologies etc. towards environmental and social development of the country.

IREDA shall also take up social welfare activities which fall under the eligible list of activities as per Schedule VII of the Companies Act, 2013 including all amendments issued from time to time.

The key objectives of the CSR Policy shall be:

- a. To ensure an increased commitment at all levels in the organization to operate its business in an economically, socially & environmentally sustainable manner.
- b. To directly or indirectly take up programmes that benefit communities and results, over a period of time, in energy efficiency/ conservation and enhancing the quality of life & economic well-being of the local populace.
- c. To generate, through its CSR initiatives, a community goodwill for IREDA and help reinforce a positive & socially responsible image of IREDA as a corporate entity.
- d. Encourage alignment with millennium development goals related to gender sensitivity, skill enhancement, entrepreneurship development etc.
- e. Encourage partnerships with National Disaster Management Authority (NDMAs) and other organizations at state and national levels to ensure preparedness of communities towards disaster resilience.

2. RESOURCES & ALLOCATION OF FUNDS

- a. Every year, with the approval of Board of Directors make a budgetary allocation for CSR and Sustainability activities/projects for the year. The budgetary allocation will be based on the profitability of IREDA i.e. 2% of its average net profits made during the immediately preceding three financial years.
- b. IREDA shall transfer the unspent amount to a fund specified in Schedule VII of the Act, within a period of six (6) months of the expiry of the financial year, unless the unspent amount relates to any ongoing project. The definition of ongoing project shall be in line with the Companies (CSR Policy) Rules, 2014 or amendments issued thereon.
- c. In the event the unspent amount relates to an ongoing project, the unspent amount shall be transferred to Unspent CSR Account within a period of thirty (30) days from the end of the financial year and shall be spent in pursuance of its obligations towards this Policy within a period of three (3) financial years from the date of such transfer, failing which, IREDA shall transfer the same to a fund specified in Schedule VII of the Act, within a period of thirty days from the date of completion of the third financial year.
- d. If IREDA spends more than the requirement provided under section 135, the excess amount can be set off against the required 2% CSR expenditure up to the immediately succeeding three (3) financial years subject to compliance with the conditions stipulated under rule 7(3) of the Companies (CSR Policy) Rules, 2014.
- e. Annual CSR budget shall be sanctioned for the activities stipulated under Schedule VII of Companies Act, and in line with the guidelines issued by the DPE from time to time.

The following (one or more) CSR activities may be examined by IREDA subject to revisions as per the SCHEDULE VII of the Company's Act (mutatis-mutandis):

- i. *Eradicating hunger, poverty and malnutrition, promoting health care including preventive health] and sanitation Including contribution to the Swatch Bharat Kosh set-up by the Central Government for the promotion of sanitation] and making available safe drinking water;*
- ii. *Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;*
- iii. *Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;*
- iv. *Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;*
- v. *Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;*
- vi. *Measures for the benefit of armed forces veterans, war widows and their dependents, [Central Armed Police Forces (CAPE) and Central Para Military Forces (CPMF) veterans, and their dependents including windows]*
- vii. *Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;*
- viii. *Contribution to the Prime Minister's National Relief Fund or 6[Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or] any other fund set*

- up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- ix. (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and (b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs)
 - x. rural development projects
 - xi. disaster management, including relief, rehabilitation and reconstruction activities.
 - xii. Any other activity permitted under any Act/Guidelines issued by Ministry of Corporate Affairs / Department of Public Enterprises, Government of India / any other statutory authority, as may be amended from time to time.
 - f. Funds utilized for preparation of Need Assessment / DPRs, Impact Assessment Studies as well as towards documentation of CSR projects as well as the expenditure on the fee charged for participation in the CSR Training Programmes / Workshops would also be included under CSR budget.
 - g. Such allocation of funds shall not act as a constraint in the event of a national calamity and the IREDA may contribute such amount as may be deemed necessary for a cause.
 - h. CSR Budget may be enhanced by Board Level Committee, if found necessary. Such changes would subsequently be submitted to the Board of Directors.
 - i. All requests received for CSR support will be categorized in different heads and shall be put up to the CSR Committee / Board of Directors.
 - j. CSR projects shall be sanctioned in line with the guidelines issued by the Department of Public Enterprises (DPE). CSR expenditure for thematic programme should be around 60% of annual CSR expenditure of CPSEs and Aspirational Districts may be given preference. The same shall stand amended in line with any related amendments from the Government of India from time to time.

The Implementation Mechanism & Operating Procedures of CSR Programmes / Activities are mentioned in the Operational Guidelines placed at Appendix - 1.

3. PLANNING & PROCEDURE FOR SELECTION OF PROJECTS

- 3.1 **Identification of Thrust Area:** As a part of its CSR strategy, in line with the aims and objectives specified above, the thrust areas shall be in line with the national theme for CSR as declared by the government of India from time to time and CSR activities stipulated under the **SCHEDULE VII of the Company's Act**. Third Party Need Assessment report / base case analysis shall be a fundamental requirement for examination and sanction of CSR funds/assistance to any project.
- 3.2 IREDA as a Financial Institution has no specific geographical area of commercial operations and can take up CSR and Sustainability projects at any location of their choice within the country,

including the backward regions.

- 3.3 CSR and Sustainability shall be equally applicable to internal stakeholders (particularly, the employees of a company) and external stakeholders.

4. ONGOING PROJECTS

Ongoing project shall be defined as per Companies (CSR Policy) Rules, 2014 as amended from time to time.

After the completion of any ongoing project, the Board of Directors of the company is free to design any other project related to operation and maintenance of such completed projects in a manner as may be deemed fit on a case-to-case basis

5. CONSTITUTION & MEETING OF BOARD LEVEL COMMITTEE

The CSR functions of IREDA will be coordinated and monitored by Board level Committee for the successful implementation of the CSR policy of the Company. The Board level Committee will meet at least once in a quarter. The progress report of CSR Programmes under implementation shall be placed before the Board of Directors on quarterly basis.

- 1) We may constitute the two-tier organization structure to steer the CSR & Sustainability agenda of the Company, as under: -
 - a) **Board Level Committee headed by Chairman & Managing Director / Functional Director /Independent Director**
 - i) To oversee the implementation of the activities.
 - ii) To assist Board of Directors to formulate suitable policies and strategies to take CSR & Sustainability agenda forward in the desired direction.
 - b) **Team nominated by Board Level Committee headed by Senior Level Executive of not less than one rank below Board Level (to be named as CSR Unit)**
 - i) To facilitate co-ordination of CSR and sustainability initiatives of different departments within the Organization.
 - ii) To issue policy directives on the subject.
 - iii) To devise an appropriate corporate communication strategy.

6. PROJECT IMPLEMENTATION

- 6.1 The Board of Directors shall ensure that the CSR activities are undertaken by the company itself or through, –

(a) a company established under section 8 of the Act, or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and approved under 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company; or

(b) a company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; or

(c) any entity established under an Act of Parliament or a State legislature; or

(d) a company established under section 8 of the Act, or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and approved under 80 G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

Note: For the purpose of clause (c), the term “entity” shall mean a statutory body constituted under an Act of Parliament or State legislature to undertake activities covered in Schedule VII of the Act.

6.2 The implementing agency shall be responsible for monitoring the project and shall provide periodic reports to IREDA and will ensure that the project gets completed within the specified time period.

6.3 IREDA may get the project implementation done either through direct mode itself Or through Govt. / Semi Govt. / Quasi Govt./autonomous organizations /reputed implementing agencies, based on recommendations/need assessment reports from the offices of central government offices/state government offices/CPSU’s/SPSU’s/local administration (DM/SDM/CDO/CMO etc.)

6.4 IREDA may collaborate and pool funds for undertaking projects jointly with other CPSEs / Government agencies for long-term mega projects for greater social/environmental/socio-economic impact with optimal utilization of resources of each participating entity, and also accelerate the pace of development, including in the backward regions.

Note: In case of need based projects required to be executed through implementing agencies other than Govt. agencies, the approval note for the same should cover justifications for selection of implementing agency for approval of Board of Directors.

7. MONITORING AND EVALUATION/IMPACT ASSESSMENT OF CSR ACTIVITIES

IREDA may also appoint specialized agency / consultants for monitoring the projects, if required.

IREDA shall get the impact assessment conducted in line with the Rule 8(3) of the Companies (CSR Policy) Rules, 2014 mandating following class of companies to conduct impact assessment:

- Companies with minimum average CSR obligation of Rs. 10 crore or more in the immediately preceding 3 financial years; and CSR projects with outlays of minimum Rs. 1 crore and which have been completed not less than 1 year before undertaking impact assessment.

The progress report of the activities undertaken shall be reported to Board Level Committee on Quarterly basis. The impact assessment would be conducted by an external agency, wherever applicable.

The expenditure incurred on impact assessment is over and above the specified administrative overheads of 5%. Expenditure up to a maximum of 5% of the total CSR expenditure for that financial year or 50 lakh rupees (whichever is lower) can be incurred separately for impact assessment.

8. APPOINTMENT OF AGENCY FOR IMPACT ASSESSMENT

The specialized agencies like Govt. / Semi Govt. Organizations / PSUs, NGOs, Institutes and Academic Organizations etc. shall be selected as per requirement of the activity.

9. DOCUMENTATION & DISSEMINATION

The CSR approach including the base-line data (wherever applicable) made available at the start of the project and the impact so quantified on completion of the project shall be documented for record purposes and future use as well as for sharing of experience.. CSR initiatives of the company will be reported in the Annual Report of the Company. Activities undertaken under CSR activities shall be reported to

National CSR Hub for record purpose.

10. GENERAL

- The power to interpret & administer the rules shall rest with Board level Committee whose decision shall be final and binding, which is also empowered to make any supplementary rules/orders to ensure effective implementation of scheme.
- Any or all provisions of the CSR and Sustainability Policy would be subject to revision/amendment in accordance with the guidelines on the subject as may be issued by the Government /DPE, from time to time.
- The Policy is based on the Companies Act 2013, Schedule VII of the Act, the CSR Rules and the DPE Guidelines. Any possible situation where there may be a conflict between the CSR Rules and the Guidelines, the former shall prevail in all circumstances.
- Any or all provisions of the CSR policy would be subject to revision / amendment in accordance with the guidelines on the subject as may be issued by the Government, from time to time.
- IREDA reserves the right to modify, add, delete or amend any of the provisions of this Policy.
- The policy will supersede / override any previous policy made in this regard.

**OPERATIONAL GUIDELINES OF CORPORATE SOCIAL RESPONSIBILITY
AND SUSTAINABILITY ACTIVITIES**

Implementation Mechanism:

1. CSR activities/ programmes will be undertaken within the defined ambit of the identified thrust areas and shall be identified on basis of need identification studies (or) internal need assessment or receipt of proposals/requests etc.
2. The beneficiary organization / institution / Member of Parliament (MP) or Member of Legislative Assembly (MLA) shall contribute minimum 25% of the project cost from their own sources / Member of Parliament Local Area Development (MPLAD) fund / Member of Legislative Assembly Local Area Development (MLALAD) fund or similar funds on the requested project under the CSR initiative of IREDA.
3. Board level Committee will oversee the implementation of the CSR and Sustainability policies of the Company and to assist the Board of Directors to formulate suitable policies and strategies to take the CSR and Sustainability agenda of the company forward in the desired direction.
4. CSR Unit should identify and obtain suitable proposals in the identified thrust areas from various sources i.e. Central govt. agencies, State govt. agencies, PSUs, NGO, Trust, reputed organizations etc.
5. All proposal for CSR activities shall be first examined by the CSR unit and only after they are found suitable, proposals shall be put up to Board level committee following the due approval process in IREDA. The proposal then shall be put up for approval of the Board of Directors after the recommendation by the Board level Committee.
6. For any need-based project, CSR Unit shall invite Expression of Interest (EOI) from prospective NGOs/Trust Implementing Agencies. The condition of calling for EOI shall be applicable in all cases except where the implementing agencies are Govt. / Semi Govt. Bodies. Similar provision shall be applicable in case of Baseline Survey / DPR & Impact Assessment Studies.
7. A Memorandum of Agreement (MOA) and other legal documents to safeguard the interest of the Company shall be signed with the implementing / coordinating agency duly selected. The legal documentation shall be signed by the Nodal Officer, after the same is duly vetted by Legal Department.
8. For all CSR activities / programmes to be undertaken local agency / authority should be involved for the maintenance of work done under CSR activities.
9. All efforts must be made to the extent possible to define the following while identifying the CSR projects:
 - Programme objective
 - Baseline survey/Secondary research/ Need Assessment report
 - Implementation schedule
 - Responsibilities and Authorities
 - Payment terms
 - Major results expected and measurable outcome
 - The designated nodal officer will regularly submit reports regarding the progress in the implementation of CSR and Sustainability activities to the Board level committee.

- At any stage, if the CSR Unit is of the opinion, they can opt for an expert member in the field to assist them in Evaluation or Selection of Projects etc.
 - The activities would be taken up in a project mode with milestones and deadlines.
10. IREDA shall follow the decision of the NITI Aayog, Govt. of India registration of NGOs with NITI Aayog for availing Grant-In-Aid from Government while considering the CSR proposal submitted by NGO. NITI Aayog issues the OM No. M-11/16(2)/15-VAC dated 24.08.2016 in this regard.
 11. Consent shall be sought, for release of CSR fund directly to the implementing agency, from the beneficiary organization / Institution / Member of Parliament (MP) or Member of Legislative Assembly (MLA) while considering the proposals.
 12. Status of completion report of the projects sanctioned under CSR budget of IREDA shall be put up to the CSR Committee/Board of Directors on quarterly basis
 13. During the implementation of the project, inspection shall be made by IREDA at regular intervals as and when required based on payment milestones/before release of final disbursements.
 14. Reasonability of cost of CSR project / rate shall be included in the Agenda note of CSR proposal.
 15. Photographs of CSR projects along with its coordinates shall be captured.

Roles and Responsibilities of Board level Committee:

The key roles and responsibilities of the Board level Committee would be to implement the CSR policy within the DPE guidelines. Broadly the roles and responsibilities are the following:

- To assist the Board of Directors to formulate suitable policies and strategies to take the CSR and Sustainability agenda of the company forward in the desired direction.
- Formulation of broad guidelines for selection of the projects, planning, execution, monitoring & evaluation.
- Selection of projects in accordance with policy framework & guidelines.
- Submission of annual budgetary requirement for each project along with the targets.
- Formulation of strategies for efficient implementation of projects.

Approving Authorities (Delegation of Power):

Every proposal under CSR activity following the due approval process in IREDA shall be put up to the Board level Committee. Proposals approved by the Board level Committee shall be put up to the Board of Directors. All the CSR project proposals shall be approved / ratified by Board of Directors for implementation. Even, if the Board of Directors delegate the authority to approve the CSR and Sustainability activities to the Board level Committee, ultimately the ratification of such activities by the Board of Directors would be required.

Delegation of Power for various activities:

S. No.	Activity / Description	Approving Authority
1.	Sanction of Projects	Board of Directors / Board level Committee
2.	Appointment of external expert to assist the CSR unit for any activity	Full power – Board level Committee

Roles and Responsibilities:

1	CSR Unit	CSR Unit shall evaluate the project(s) / scheme(s) and put up its recommendations after due approval process in IREDA to the Board level Committee.
2	Board Level Committee	The Committee shall consider the recommendations of the CSR Unit for approval or recommend the same to Board of Directors for approval.
3	Board of Directors (BoD)	Board of Directors shall consider the recommendations of Board level Committee for approval.